

CENTRAL INTELLIGENCE AGENCY

REPORT

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1. the reorganization of nationalized industry in the DDR, the Ministry of Machine Construction is to be organized as follows. It will be subdivided into the seven following main divisions (Hauptabteilungen):

a. HIA Finanzen.

b. HIA Schwermaschinenbau, which will include:

- 1) four VVs (BEM, Abs, GUS and WNW),
- 2) fifteen "Kombinate", and
- 3) seventeen directly-controlled plants, namely:

- | | | |
|--|---|-------------------------|
| a) VEB Zwickauer Maschinenfabrik |) | |
| b) VEB Dampfkesselbau Hohenthurm |) | |
| c) VEB Dampfkesselbau Meerane |) | Formerly of the VVB BEM |
| d) VEB Pumpenbau Gölitz |) | |
| e) VEB Kranbau Köthe |) | |
| f) VEB Stahlbau Leipzig |) | |
| g) VEB Kranbau Eberswalde |) | Formerly of the VVB Abs |
| h) VEB Maschinenfabrik und Eisengiesserei Dessau |) | |
| i) VEB Maschinenbau Nordhausen |) | |
| j) VEB Werkzeugmaschinenfabrik Union Gera |) | |
| k) VEB Maschinenfabrik Meuselwitz |) | |
| l) VEB Wälzlagerfabrik Fraureuth |) | |
| m) VEB Wälzlagerfabrik Rumburg |) | |
| n) VEB Wanderer-Fräsmaschinenbau Siegmarschönau |) | Formerly of the VVB WNW |
| o) VEB Deutsche Mähs-Werke, Siegmarschönau |) | |
| p) VEB Werkzeugmaschinenfabrik Aschersleben |) | |
| q) VEB Zahnschneidmaschinenfabrik Chemnitz |) | |

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c. HA Allgemeiner Maschinenbau, which will include:

- 1) Seven VVBs (Tewa, Mowa, Sanar, Textina, Polygraph, LBN and Nagoma),
- 2) Five "Kombinate", and
- 3) Three directly-controlled plants, namely:
 - a) VEB Transformatoren- und Röntgenwerk Dresden (formerly of the VVB VEM).
 - b) VEB Elmo, Dessau. (formerly of the VVB VIM).
 - c) VEB Metallweberei, Neustadt/Orla (formerly of the VVB Tewa).

d. HA Fahrzeugbau, which will include:

- 1) Two VVBs (Lowa and IFA),
- 2) Five "Kombinate", and
- 3) Two directly-controlled plants, namely:
 - a) Lokomotivbau Wildau (formerly of VVB Lowa)
 - b) Lokomotiv Elektrotechnische Werke (LEW) Hennigsdorf.

e. HA Schiffbau, which will include:

- 1) Two VVBs (VVA and Hochseeschiffbau),
- 2) One "Kombinat", and
- 3) Two directly-controlled plants, namely:
 - a) Dieselmotorenwerk Rostock (formerly of VVB Hochseeschiffbau), and
 - b) Maschinenfabrik Finsterwalde (formerly of VVB VEM).

f. HA Elektrotechnik, which will include:

- 1) Three VVBs (RFT, IKA and VEM), and
- 2) Four "Kombinate" (?).

g. HA Feinmechanik und Optik, which will include:

- 1) One VVB (Mechanik), and
- 2) One "Kombinat" (?).

2. The following internal reorganization of VVBs will take place effective on 1 January 1951:

- a. VVB IFA is to take over VEB Kettenfabrik, Hirschfeld (Zwickau) from VVB (Land Sachsen) Fahrzeugbau, and VEB Pallas-Werk, Barchfeld/Werra from VVB (Land Thüringen) Maschinen-Elektro-West. Together the above firms will be able to fill all of VVB IFA's chain requirements.
- b. VVB VEM is to take over the Alfred Berghaus plant, Auerbach/Vogtland (nationalized on 15 June 1950 and produces milling tools, drills and other metalworking tools), and Franz Innischer, Saalfeld, from VVB (Land Thüringen) Elektro-Maschinen-Ost. This is the only firm in the DDR which produces automatic sharpening machines for large saws (Grossägeblatt-Schärfautomaten).
- c. VVB Optik is to take over Elektro-Medizin Leipzig, Röntgenelektronmedizin Dresden, formerly administered by the Land Sachsen Ministry for Heavy Industry and Transport and formerly owned by Siemens-Reiniger, and Technisches Büro Rostock, administered by the city of Rostock and formerly owned by Siemens-Reiniger.

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- d. VVB Mechanik is to take over the private firm Walter Haake, Medingen, which was expropriated on 7 July 1950 under Order No. 201.

The following amalgamations are due to take place:

- 1) "Wefo" Werkstätten für Feinmechanik und Optik Dresden (formerly of VVB(I) Feinmechanik Dresden) and Baldawerk Dresden with Zeiss-Ikon Dresden.
- 2) Feinoptik Görlitz with Primar-Kamera-Werke Görlitz.
- 3) Filmosta Dresden with Vergrößerungsgerätekwerk (formerly Müller & Metzsig) Dresden.
- 4) Welta-Kamera-Werke Freital with Kamera-Werke Tharandt.

The section Medizintechnik of IIA Feinmechanik & Optik is to control the former Siemens-Reiniger-Werk in Leipzig, Dresden and Berlin, and the former Koch & Storz AG in Dresden.

- e. VVB Druck und Verlag, Leipzig is to take over Spezialdruck Hardenberg, Lugau, which was expropriated on 10 June 1950.
 - f. VVB Musik-Kultur is to take over VEB Eugen Schuster, Markneukirchen, from KNU, Olsnitz.
 - g. VVB Bau-Union Mitte is to take over VEB Ofen und Feuerungsbau, Magdeburg, from Paul Ludwig GmbH Magdeburg. The parent firm was nationalized on 25 February 1950.
3. The Deutsche Handels-Zentralen (DHZs) will, in due course, be placed under the control of the appropriate Ministries of Industry. DHZ Kohle und Metallurgie will, as an experiment, be placed under control of the Ministry of Heavy Machine Construction as of 1 January 1951.

4. Current production developments are as follows:

- a. VVB Tewa. 80,000 DM [] have been allocated for the purchase of semi-finished material (Vorlaufmaterial) [] This includes 50X1-HUM
cold press nut iron for the Sächsische Schrauben- und Mutterfabrik Chemnitz, 50X1-HUM
zinc for the Fabrik für Möbel- und Autobeschläge Döbeln, key-steel for
Federn und Werkzeugfabrik Chemnitz and "Federring-material" for the pro-
jected machines at Neuhaus. Wire-drawing plants are to be erected in
Brand-Erbisdorf and Willisonthal (sic).
- b. VVB Howa. The shortage of tin is the worst bottleneck. There is also a
shortage of copper, brass, zinc, aluminum, iron, steel and magnesium.
On 4 December 1950, the supplies of fine sheeting fell 6,055 tons short
of the needs of the VVB.
- c. VVB Lowa. The 100 omnibuses planned for 1951 are to be built at the Waggonbau
Werdau.
- d. VVB Ifa. The Mechanische Werkstatt Münchenbernbach has been transferred
to Schlepperwerk Triptis. The combined factory will be known as the
Lenkgetriebewerk Triptis.

As a result of a legal action by Auto-Union [] VVB Ifa 50X1-HUM
has been compelled to cease exporting cars made in Eastern Germany with
the name DKW Auto-Union. It is proposed that cars exported to western 50X1-HUM
Europe in the future should bear the name "Ifa", and that royalties should
be paid to the [] firm for the use of patents. Cars amounting 50X1-HUM
in value to approximately 750,000 DM [] and 350,000 respectively were 50X1-HUM
exported to [] western Europe in 1950. Orders booked for 1951
total 1.5 million DM [] and 6700,000 respectively.

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- e. VVB VWV. Contracts have been signed with the Hauptverwaltung Seepolizei, Berlin/Wilhelmsruh, Kurze Strasse 5/6 for the delivery of:

5 "Kurierboote" (patrol boats) 9.5 meters long.
6 Cutters 26 meters long.
1 Motor yacht (Reise-motoryacht) 20 meters long.
1 Sea-cutter lighter.

The delivery of all the above items is to be completed by the end of 1951. The first three are to be built at the "Yachtwerft Berlin"; the sea-cutter lighter is to be built by the Rosslauer Schiffswerft.

- f. VVB RFT. An order for 100 teleprinters has been received. The sum of 750,000 DM has been allocated for the purchase of the necessary machines.
- g. VVB VEM. 1,500 type 6,206 ball bearings are required for the export of 5,000 electric motors from the Elektromotorenwerk Wernigerode. They should have been delivered by the Walzlagerfabrik Fraunreuth before the end of 1950.
- h. VVB Optik. The production of 15,000 Contax-5 cameras is planned for 1951.

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Until recently, the Carl Zeiss plant in Jena has been conducting its business through a representative in Göttingen. As a result of a recent ruling that business may be done only through a registered firm, VVB Optik proposes to found the firm "Fa. Carl Zeiss Jena Vertriebsgesellschaft mbH." in Göttingen with a capital of 20,000 DM. This will appear as an independent concern, but there will be a secret contract which will insure that it comes completely under the control of VVB Optik. The shareholders will be two Jena officials.

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